

COUNTY TREASURERS' 2014 ANNUAL CONFERENCE

2014 December Settlement Overview

**Brenda Alyea
Auditor of State**

1

Settlement Overview

This presentation is an extract of presentations given to county auditors. Some parts are county auditor only functions. Other parts are county treasurer only functions. And other parts are both county auditor and county treasurer functions.

2

Settlement Overview

- Instructions will be on the Auditor of State's website www.in.gov/auditor/ in the next 60 days.
 - The instructions can be found on the website by first selecting Departments.
 - Then select Settlements.
- Please read the instructions pertaining to the 49TC and the Treasurer-Auditor Excise Tax Reconciliation Worksheet.

3

Settlement Overview

- The 49TC and Treasurer-Auditor Excise Reconciliation Settlement forms will be placed on the BMV FTP site:
 - Log in to BMV FTP site
 - Click on County name
 - Click on Settlement Folder
 - Click on Current Year Folder
 - Click on December Folder
 - Click on Treasurer Folder
 - Copy the settlement documents to your computer

Note: Auditor folder has the 105 Settlement Form, C of E Summary, 17TC Summary, Excise Allocation Worksheet, Local PTRC & HS Credit Reconciliation Worksheets, Quietus Worksheet and the December Settlement Checklist.

4

Settlement Overview

- When Settlement is filed must use worksheets we placed in the Treasurer and Auditor folders on the BMV FTP site for your county.
 - If you need access to the BMV FTP Site, please contact Tamytha Cooper at tcooper@bmv.in.gov
- The only exception to this is if your software vendor has created identical worksheets that have been approved by Auditor of State for county use.

5

Settlement Overview

- Counties with local property tax credits must include on the December Settlement:
 - LOIT (CAGIT or COIT) PTRC
 - COIT HSC
 - CEDIT HSC
 - LOIT (CAGIT or COIT) HSC
 - And/or LOIT (CAGIT or COIT) Qualified Residential PTRC
- Any December Settlements filed that do not include the appropriate amount of property tax credit dollars will be rejected and must be corrected and resubmitted for approval.

6

Settlement Overview

- The 2008 & Prior Del Tax Deduction worksheet is no longer a required form to be filed with settlement.
 - If your county opts to continue to track the 2008 & Prior Del Tax Deductions you need to contact our office for the form (county auditor request and completes form) and the amount of the 2008 & Prior Delinquent Tax must be entered in Section 1, Column 2 of the 49TC.
- **NOTE: After the 2014 December Settlement the 2008 & Prior Del Tax Deduction form will no longer be available. Column 2 of Section 1 on the 49TC will be removed.**

7

Settlement Overview

- **Treasurer's Certificate of Tax Collections - Form 49TC**
 - In columns 1 through 7 the treasurer will certify collections.
 - In column 2, if applicable, the treasurer will certify collections of 2007 pay 2008 and prior taxes and penalties.
 - If applicable, the auditor may use the amounts certified in column 2 to calculate the State, County and School Share of 2008 and Prior Delinquent Tax and Penalties Deduction.
 - In column 30, Section 3, treasurer will list the collections of the late payment penalties on certain special assessments in taxing district order.
 - Total of Column 30 must agree with total in Other Collections Section 1 for late payment penalty collections certified.
 - More detail can be found in the December Settlement Instruction manual.

8

Settlement Overview

- **Treasurer's Certificate of Tax Collections - Form 49TC continued...**
 - County Auditor will complete Section 1, Columns 8 through 13 based on information found on the Apportionment Sheets Form 102's, Lines 44 & 45.
 - In Section 2 columns 17 and 18 auditor will enter the breakdown of additional PTRC needed or excess PTRC between state and local PTRC if applicable.
 - In Section 2, columns 22 through 29 auditor will enter the breakdown of additional homestead credit needed or excess homestead credit between state HSC, state HEA 1001 HSC, COIT HSC, CEDIT HSC, CEDIT Res PTRC, Local LOIT (CAGIT or COIT) HSC, Local LOIT (CAGIT or COIT) Res PTRC Credits and Other Property tax Credits.
 - More detail can be found in the December Settlement Instructions.

9

Settlement Overview

- **Treasurer Certified Excise Tax**
 - The License Excise Collected amount on the 49TC **MUST** be the amount of excise the treasurer has on the cash book at the time of certification. (This is NOT the amount the auditor will be distributing to the taxing units).
 - The certified amount includes vehicle/auto, watercraft/boat, auto rental, aircraft, excise tax cut replacement/lottery.
 - If there is no amount in the License Excise Collected Line of the 49TC - the auditor will send 49TC back to treasurer.

10

Settlement Overview

- **Deadline to settle with taxing units**
 - 51 days after tax due date to settle without payment of interest to taxing units.
 - If interest is due, the interest amount is calculated on undistributed property and excise tax using the average interest rate the county is earning on investments.
 - The interest amount equals the undistributed tax amount times the average interest rate divided by 365 times the number of days after 51 days.
 - Settlement checks need to be distributed in a timely manner.

11

Settlement Overview

- When the Settlement is ready for review email the Settlement documents listed in the December Instructions to all members of the Settlement Department. Settlement Department contact information on slide 20.
- We review Settlements in the order received. This procedure holds true for re-submitted settlements.

12

Late Payment Penalty on Special Assessments

- Distributed to the taxing units as part of the property tax distribution. Included in the property tax quietus amount.
- Before the property tax quietus is posted to the cashbook the late payment penalty amount must be moved to the Tax Collections Section of the Cashbook.
 - In the Other Sources Section of the cashbook enter the Late Assessment Penalty on Special Assessments included in the property tax quietus amount to the Day's Collection column of the cashbook as a negative amount.
 - In the Tax Collection Section of the cashbook enter the Late Assessment Penalty on Special Assessments in the Day's Collection column as a positive amount.

13

Late Payment Penalty on Special Assessments

- The Late Assessment Penalty on Special Assessments can be entered as one total in the Tax Collection Section or can be entered by taxing district (individual district amounts are listed in Section 3 of the 49TC).
- After the Late Assessment Penalty on Special Assessments have been moved to the Tax Collection Section of the cashbook, then the property tax amount to transfer by quietus at the time of settlement should agree with the county auditor's property tax quietus.

14

Treasurer - Auditor Excise Tax Reconciliation

- **County Treasurer Certifies Excise Tax**
 - The amount entered is the amount that was certified on the License Excise Tax Collected line of the 49TC.
- **Excise Advance**
 - The amount is the excise tax amount advanced to the taxing units since the last settlement.
- **Excise Distributed at current Settlement**
 - Equals the total of Section 1, Column 12 of the 49TC.
- **Excise Tax Refunds**
 - The amount is the amount deducted from excise tax for reimbursement of watercraft/boat excise paid from the county general fund.

15

Treasurer - Auditor Excise Tax Reconciliation

- **Welfare and School Excise Allocation**
 - This amount is the remittance to the state from the Excise Allocation Worksheet (auditor function).
- **Equals Treasurer and Auditor Excise Tax Difference**
 - This amount is calculated by the worksheet. A difference on this line (line 6) is acceptable, but lines 7 through 9 should account for the difference.
- **Auditor of State Excise Tax Cut Replacement Distribution included by auditor and not received by Treasurer**
 - If the auditor's December cut-off date is the end of October and the auditor included the October Excise Tax Cut in the distribution that is sent in November, but the treasurer did not include in the excise certification, then the October Excise Tax Cut received in November is included in this line.

16

Treasurer - Auditor Excise Tax Reconciliation

- **Excise Tax Received after the cut-off date**
 - This is the amount of excise tax received by the treasurer after the county auditor's cut-off date and is not included in settlement by the auditor, but is posted to the cash book.
 - The cutoff dates are either March 31 or April 30 for June Settlement and September 30 or October 31 for the December Settlement.
- **Excise Tax included by county auditor and is excise received with the auditor's cut-off date, but not yet posted to the cashbook.**
 - The amount entered is the amount included by the auditor within the cut-off date, but was not posted to the cashbook and not included in the certification.

17

Treasurer - Auditor Excise Tax Reconciliation

- **Reconciled Difference**
 - If the reconciliation worksheet is completed correctly and the treasurer and the auditor excise tax accounting are in balance, then this line will equal zero.
- **Unreconciled Difference**
 - If Line 10 (Reconciled Difference) does not equal zero, then you must work with the auditor to determine what the difference is.
 - If you cannot identify the unreconciled difference and that difference amount is consistent for two consecutive settlements, then the difference can be allocated to the units in the following settlement.

18

Miscellaneous

- Late payment penalties cannot be charged on a tax liability when the taxpayer has not been billed and has not had an opportunity to pay.
- Once a settlement has been processed and collections have been distributed, you must not move or remove a payment on a tax bill.
- Take advantage of making payments to the state via ACH.
- Email Address Changes - please let us know if your office has changes/updates in email addresses. This would also include changes for email addresses receiving EFT Notifications.

19

AOS Contact Information

Fred Van Dorp, Asst. Settlement Director

fvandorp@auditor.in.gov

317-234-1667

Brenda Alyea, Settlement Specialist

balyea@auditor.in.gov

317-232-3336

Ryan Petter, Settlement Specialist

rpetter@auditor.in.gov

317-234-8885

20